

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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WISCONSIN POWER AND LIGHT COMPANY	)	DOCKET NO. 92-121-NG
_____	)	

ORDER GRANTING LONG-TERM AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 727

NOVEMBER 20, 1992

## I. BACKGROUND

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On September 21, 1992, as supplemented November 4, 1992, Wisconsin Power and Light Company (WPL) filed an application with the Office of Fossil Energy of the Department of Energy (DOE) for authorization to import up to 4,294 Mcf per day of natural gas from Canada, beginning on the date of first delivery through October 31, 1997. WPL, a Wisconsin corporation with its principal place of business in Madison, Wisconsin, is a wholly-owned subsidiary of WPL Holdings, Inc. WPL provides electricity, natural gas and water to customers in south-central Wisconsin. WPL will purchase this gas from Western Gas Marketing Limited under a contract dated October 1, 1992. The proposed volumes will be imported at the U.S./Canada border near Emerson, Manitoba and will be delivered to WPL over the existing pipeline facilities of Viking Gas Transmission Company. The contract price will consist of a commodity charge, a demand charge, and a supply reservation charge. The commodity charge will reflect the spot market price of gas in WPL's market area. Additionally, the contract provides that WPL will pay a deficiency charge if it fails to take the prescribed minimum daily quantities.

On September 29, 1992, DOE issued Opinion and Order No. 362-A (Order No. 362-A) which extended WPL's existing import authorities granted in DOE Opinion and Order No. 362 until DOE would make a final decision on WPL's application in FE Docket No. 92-121-NG. The authorization granted in this Order will supersede the interim authority granted in Order No. 362-A.

## II. FINDING

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The application filed by WPL has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the importation of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by WPL to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

## ORDER

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For reasons set forth above, pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Wisconsin Power and Light Company (WPL) is authorized to import, at Emerson, Manitoba, up to 4,294 Mcf per day of Canadian natural gas beginning on the date of first delivery through October 31, 1997, consistent with the terms of the gas purchase contract between WPL and Western Gas Marketing Limited dated October 1, 1992, on file in this docket.

B. The interim import authorization granted to WPL in Opinion and Order No. 362-A is superseded by the authorization granted in Ordering Paragraph A of this Order.

C. Within two weeks after deliveries begin, WPL shall notify the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports authorized by this Order, WPL shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, WPL must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at Emerson, Manitoba. The monthly price information shall separately itemize the demand, commodity and supply reservation charges on a per unit (MMBtu) basis, including any deficiency charge that WPL pays.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1993, and should cover the period from the date of this Order until the end of the current calendar quarter, December 31, 1992.

Issued in Washington, D.C., on November 20, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy

